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SOLAR
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SYSTEMS

BANKING
& RETAIL
AUTOMATION
SYSTEMS



| Aplab Limited 51 st Annual General Meeting | |
|-----------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Day & Date | : Friday, 30 th September 2016 |
| Time | : 12.30 p.m. |
| Venue | : Woodland Retreat, L.B.S. Marg, Near Mulund Check Naka, Thane (W.) - 400 604. |
| Please bring this copy to the Annual General Meeting. | |

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Aplab Limited

51st Annual Report 2015-2016

CIN : L99999 MH1964 PLC 013018

Board of Directors

| | | |
|-------------------|-----------------|------------------------------|
| P. S. Deodhar | (DIN: 00393117) | Chairman & Managing Director |
| Amrita P. Deodhar | (DIN: 00538573) | Director |
| Jayant Deo | (DIN: 00568381) | Independent Director |
| S. K. Hajela | (DIN: 01001987) | Independent Director |

Company Secretary & Finance Controller

Rajesh K. Deherkar (Membership No. A10783)

Registered Office & Works

Aplab House,
A-5, Wagle Industrial Estate,
Thane - 400 604.

Tel. : 67395555 Fax : 25823137
email : response@aplab.com
web : www.aplab.com

Works

A-1, A-3, A-5, A-6 & B-92, Wagle Industrial Estate,
Thane 400 604.

Plot No. 12, TTC Indl. Area, Village Digha,
Thane Belapur Road, Navi Mumbai - 400 708.

Unit No. 37, SDF - II, SEEPZ-SEZ,
Andheri (East), Mumbai - 400 096.

EL-15, Pimpri Indl. Area, MIDC,
Bhosari, Pune - 411 026.

Unit 6 & 18, Electronic Sadan II,
Bhosari, Pune - 411 026.

Sales & Service Centres

| | | | | | |
|--------------|------------|----------|-----------|--------------|------------|
| Agra | Chennai | Jaipur | Mumbai | New Delhi | Surat |
| Ahmedabad | Coimbatore | Kochi | Mysore | Patna | Trivandrum |
| Bangalore | Guwahati | Kolkatta | Madurai | Pune | Trichy |
| Bhopal | Goa | Kannur | Mangalore | Raipur | |
| Bhubaneshwar | Hubli | Lucknow | Nagpur | Ranchi | |
| Chandigarh | Indore | Ludhiana | Nashik | Secunderabad | |

Auditors

Shahade & Associates
Chartered Accountants
Gautam, Plot No. 29,
Road No. 2, Sion (East),
Mumbai - 400 022.

Bankers

Corporation Bank,
Thane

Bank of Maharashtra,
Thane

Registrar & Transfer Agents

M/s. Adroit Corporate Services Pvt. Ltd.
17-20, Jaferbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka,
Mumbai - 400 059.
Tel. 2859 40 60 / 2859 60 60 / 2859 44 42
Fax: 2850 37 48

NOTICE

NOTICE IS HEREBY GIVEN THAT the Fifty-first Annual General Meeting of Aplab Limited (CIN: L99999MH1964PLC013018) will be held at Woodland Retreat, L.B.S Marg, Near Mulund Check Naka, Thane (West) – 400604 on Friday, the 30th September, 2016 at 12.30 p.m. to transact the following business:

Ordinary Business:-

1. To receive, consider and adopt the audited Annual Accounts for the year ended 31st March, 2016 together with the Reports of the Directors and Auditors thereon;
2. To appoint a Director in place of Mrs. Amrita P. Deodhar (DIN: 00538573), who retires by rotation and being eligible offers herself for re-appointment;
3. To appoint M/s. Shahade & Associates, Chartered Accountants (ICAI Registration No. 109840W) as statutory auditors of the Company and to fix their remuneration.

Registered Office:
Aplab House, A-5,
Wagle Estate,
Thane - 400 604.

By Order of the Board

Rajesh K. Deherkar
Company Secretary &
Finance Controller
(Membership No. A10783)

Place : Thane
Dated : May 27, 2016

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. A member holding more than 10 (ten) percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.
2. The instrument of Proxy in order to be effective should be deposited at the registered office of the company duly completed and signed at least 48 hours prior to the time fixed for the meeting. Proxies submitted on behalf of the companies, societies etc must be supported by an appropriate resolution/authority as applicable.
3. The Register of Members and the Share Transfer Register of the company will remain closed from Friday, the 23rd September, 2016 to Friday, the 30th September, 2016 (both days inclusive).
4. Members are requested to contact the Registrar and Share Transfer Agents for all matters connected with the Company's shares at: M/s Adroit Corporate Services Pvt. Ltd., 17-20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai – 400 059. Tel : 28594060 / 28594442 / 28594428 Fax : 28503748
5. Members are requested to notify immediately on any change, if any, in their address/mandate/bank details to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company or Company's Registrar & Share Transfer Agents in respect of their physical share folios.
6. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent or to the Company.
7. The Company has already transferred, all unclaimed dividend declared up to the financial year ended 31st March, 1994 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those shareholders who have so far not claimed their dividend up to the year ended 31st March, 1994 may submit their claim to the Registrar of Companies, Maharashtra, CGO Complex, 2nd Floor, CBD, Belapur in the prescribed form.
8. Pursuant to the provision of the Companies Act, 2013, as amended, dividend for the financial year ended 31st March, 1995 and thereafter, which remain unpaid or unclaimed for a period of 7 years is to be transferred to the Investor Education and Protection Fund of the Central Government. Accordingly Dividend for the year ended 31st March, 1995, 31st March, 1996, 31st March, 1997, 31st March, 2003, 31st March, 2004, 31st March, 2005, 31st March, 2006, 31st March, 2007, 31st March, 2008 and 31st March, 2009 have already been transferred to the Investor Education and Protection Fund of the Central Government.
9. Members who would like to ask any questions on the Accounts are requested to send their questions to Registered Office of the Company at least 10 days before the Annual General Meeting to enable the Company to answer the questions satisfactorily.
10. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies at the Annual General Meeting. Members/Proxies should bring the attendance slip duly filled in and signed for attending the meeting.
11. Voting through electronic means:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on 27th September, 2016 (9.00 am) and ends on 29th September, 2016 (5.00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2016 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as

- password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "APLAB LIMITED".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rama@csrama.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM[for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided in the covering letter of Annual Report.
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
 - VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2016.
 - X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 26th August, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
 - XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
 - XIII. Ms. Rama Subramanian, Practising Company Secretary, having ACS 15923, CP No. 10964 has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - XIV. The Chairman shall, at the AGM, at the end of discussions on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 - XV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting by polling papers and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 - XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company viz. www.aplab.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

INFORMATION AS REQUIRED IN RESPECT OF DIRECTORS BEING APPOINTED/ RE-APPOINTED

Mrs. Amrita P. Deodhar - Director
(DIN:00538573)

Mrs. Amrita Deodhar is a commerce graduate of 1967. She is a successful entrepreneur for over four decades having set up Electronic Manufacturing Unit in SEEPZ in 1975. After selling that business, she set up Distribution Company representing several international companies producing high tech electronic test equipment and analytical test instruments. After strengthening the company with a nationwide sales and service network and securing large market share, she sold that enterprise to a US Multi-national in 2011. She brings to Aplab Board her long experience in building business ventures and making them commercial successes.

She is also Director in Sprylogic Technologies Limited, Origin Instrumentation Pvt. Ltd., Deodhar Electro Design Pvt. Ltd., Printquick Pvt. Ltd, Devize (India) Pvt. Ltd. and Intel Export Corporation

Registered Office:
Aplab House, A-5, Wagle Estate,
Thane - 400 604.

Place : Thane
Dated : May 27, 2016

By Order of the Board

Rajesh K. Deherkar
Company Secretary &
Finance Controller
(Membership No. A10783)

DIRECTORS' REPORT

To the Members,

Your Directors present their 51st Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016

1. FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous years figures are given hereunder:

(Rs. in Lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|-------------------------------------------------|--------------------------|--------------------------|
| Net Sales /Income from Business Operations | 7101.33 | 7429.37 |
| Other Income | 84.01 | 71.15 |
| Total Income | 7185.34 | 7500.52 |
| Less Interest | 1123.69 | 1062.58 |
| Profit / (Loss) before Depreciation | (1596.77) | (1266.72) |
| Less Depreciation | 162.04 | 176.09 |
| Profit / (Loss) after depreciation and Interest | (1758.81) | (1442.81) |
| Less Current Income Tax | - | - |
| Less Deferred Tax | - | - |
| Net Profit (Loss) after Tax | (1758.81) | (1442.81) |
| Dividend (including Interim if any and final) | - | - |
| Net Profit / (Loss) after dividend and Tax | (1758.81) | (1442.81) |
| Amount transferred to General Reserve | | |
| Balance carried to Balance Sheet | (1758.81) | (1442.81) |
| Earning in Rupee per share (Basic) | (35.18) | (28.86) |
| Earning in Rupee per Share(Diluted) | (35.18) | (28.86) |

2. REVIEW OF BUSINESS OPERATIONS, FUTURE PROSPECTS AND COMMENTS ON ADVERSE REMARKS OF AUDITORS

Your Directors wish to present the details of Business operations done during the year under review:

During the year under review the Company could achieve reduced turnover of Rs. 7101.33 Lacs against Rs. 7429.37 Lacs of previous year and incurred loss of Rs.1758.81 Lacs against loss of Rs. 1442.81 Lacs of previous year. The reduction in turnover of 4.42% of previous year is due to the continuous stress on liquidity. In the current year growth is expected in sale of banking automation, measuring instruments and power supplies.

It is a great pity that we, the Aplab promoters, have not been lucky so far to find customers for its unused real estate assets worth over 60 crores. This is one easy way to reduce the burden of expensive borrowed funds and get back to positive cash flow helping our potential growth. Many large public companies in the country have used this route in the past. Had your company been able to sell at least one of them, the Balance Sheet of

your company would have looked different.

Statutory Auditors have been strict and done their job to meet the current accounting guidelines by SEBI. Your management has given all the cooperation to them during the audit.

Out of the 54 years since I set up your company as technical entrepreneur, we had 48 years of sustained profitable growth. More than year long violent strike has put us in a spin. Losses incurred during the period has become an albatross around your company's neck. Consequential cash flow problem continues to haunt Aplab, even when my family has given 25 crores of unsecured loans. Can you believe that no bank or NBFI will lend money to us even we have one asset worth 9 crore which has not been pledged to anyone? Even against the high class Pune Property, valuation of which by the MIDC is Rs.49 crore, our borrowing is only 12 crore! In spite on this we can't get any NBFI to lend 20 crore that can help us to be free from being NPA. No one will lend because of the RBI directive that company with NPA can't be funded by any other financial institution.

Dr. S. K. Hajela, eminent Telecom Expert, and the independent director on your board says, "It is ironical that blanket application of RBI order about lending to company having one NPA account like APLAB goes counter to "Make in India" policy. Loans that enable industry to produce goods and services against firm orders from customers and create wealth should be examined on case by case basis by Banks. Blanket ban is counter-productive. RBI may be requested to review so that such industries are assisted to be brought to good financial health and can pay back instead of getting weaker."

Unfortunately, our banks too have added significantly to our losses by charging us penal interest. Again, I am told, that it is as per the official guidelines. Banks have to charge penal interest. In my opinion, penal interest charged by the bank, in spite of the high market value of the pledged assets than what is considered by them while granting the limits, has no justification. By charging 22% interest, it has no way ensured that company shall be able to pay its overdue promptly. In fact, it has merely inflated your company's losses on one hand and inflated bank's own profit on the other.

Banks are money lenders lending money against the assets like any other money lender. As a concerned lender, if they would have verified how the lent funds have been used, they would have noticed that your company management has not fraudulently diverted even a single rupee for personal gains like other large companies appear to do as revealed in hundreds of press reports. I sincerely feel that charging penal interest to a genuine manufacturer, in a way, looks no different than exploitation of farmers by their money lenders. Experts and your auditors, however, tell me that these are current lending policies and we have to live them even if they are unjust.

Unfortunately the company balance sheets, as they are, fail to show the real worth of your industrial enterprise. What gets ignored are the non-financial essential assets of a company like its knowledge base, technological prowess, product quality, experience of people, business prospects, customer profile such as the armed forces and the market image. Thanks to you all that the growing Share Value of your company seems to reflect that trust. None of these assets are a part of the balance sheets.

Your employees and senior managers are giving excellent co-operation, production is maximized in spite limited resources, incoming orders are very good and gross margins are more than ever, giving you more than 50% value addition. Business could have been far bigger if we had cash resources to finance material purchasing and market promotion. The current order booking is good in spite of no advertising and having lost over 50% marketing personnel as compared to those we had in 2010-11.

Me and my team are confident that as soon as we sell our asset, we shall grow far speedily and profitably. Any way your company is today the victim of bad times. I feel confident that these times would soon be behind us. As they say tough times don't last, tough people do. Your company is still strong and I am thankful to my shareholders for putting their faith in my management through these difficult times.

3. DIVIDEND

No Dividend is recommended for the current financial year due to loss incurred by the Company. (Previous Year - Nil)

4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 of the Companies Act, 2013, any unclaimed or unpaid Dividend relating to the financial year 2007-08 due for remittance to the Investor Education and Protection Fund established by the Central Government is transferred to the fund on 17/07/2015.

5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure to the Directors' Report and is attached to this report.

7. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

Your company has already formed Risk Management Committee to identify and evaluate elements of business risks.

8. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Due to the losses incurred presently during the year under review, Corporate Social Responsibility could not be implemented. However on improved performances, the same will be implemented.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of Loans, Guarantees or Investments made under Section 186 is furnished in Notes to Financial Statement no. 26 under item no. 9 and is attached to this report.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The particulars of Contracts or Arrangements made with related parties made pursuant to Section 186 is furnished in Notes to Financial Statement No. 26 under item no. 9 and is attached to this report.

11. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There were no adverse comments, qualifications or reservations or adverse remarks by the Practicing Company Secretary in the Secretarial Audit Report. The Secretarial Audit Report in terms of Section 204 is annexed as Annexure-A to this report.

However the Statutory Auditors have made the following remarks

Basis of Qualified Opinion

- The Company has incurred substantial loss of Rs. 1758 lacs during this year. The Company has accumulated losses and its net worth has become negative during this year. The Company could not repay any installment of the Term Loans or repay Public Deposits or honor LCs on its due dates. The Bank has taken possession of one of the Company properties due to this default of Rs. 1177 lacs and initiated recovery action.
- Due to nonpayment of debts and further borrowings and defaults, the overall interest bearing debts of the Company have gone up during the year.
- The Company during the year could not pay various statutory dues in time and the delay ranges between 3 to 5 months. The total amount of unpaid Statutory Dues including Unpaid Gratuity is Rs. 766 lacs at the year end.
These events indicate uncertainty that casts doubt on

the Company's ability to continue as a going concern considering continued losses and operational inflows.

The comments on qualifications are already given in page no. 4 under item no. 2

12. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is in process, due to inadequate profit, the present Executive Director is not drawing any remuneration.

13. ANNUAL RETURN

The extracts of Annual Return pursuant to provisions of section 92 read with rule 12 of the companies (Management and Administration) Rules, 2014 is furnished in Annexure - B and attached to this report.

14. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had 4 (Four) Board meetings during the financial year under review

15. CORPORATE GOVERNANCE REPORT

In terms of SEBI CIRCULAR CIR/CFD/POLICY CELL/7/2014 September 15, 2014 which was effective October 1, 2014, the Clause 49 of the Listing Agreement shall be applicable to all companies whose equity shares are listed on a recognized stock exchange. However, compliance with the provisions of Clause 49 shall not be mandatory, for the time being, in respect of the following class of companies:

Companies having paid up equity share capital not exceeding Rs.10 crore and Net Worth not exceeding Rs. 25 crore, as on the last day of the previous financial year; provided that where the provisions of Clause 49 becomes applicable to a company at a later date, such company shall comply with the requirements of Clause 49 within six months from the date on which the provisions became applicable to the company.

In view of the above your company is not required to annex the Corporate Governance Report to the Directors Report for the year ended March 31, 2016.

16. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments

and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.- Not applicable to Private Limited Company. Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The details of financial performance of Subsidiary Company Sprylogic Technologies Limited, recorded turnover of Rs. 210.38 Lacs during the year as against Rs.233.68 Lacs in the previous year. The operations during the year have resulted into a minor profit before tax of Rs. 1.92 Lacs as against profit before tax of Rs.26.41 Lacs during the previous year.

18. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

19. DIRECTORS

In accordance with the provisions of the Companies Act, 2013, Mrs. Amrita P. Deodhar (DIN: 00538573) is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible has offered herself for re-appointment.

20. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

21. STATUTORY AUDITORS

The Statutory Auditors, M/s Shahade & Associates., Chartered Accountants, (ICAI Registration No. 109840W) retire at the forthcoming Annual General Meeting. They have furnished a certificate confirming their eligibility for reappointment under provisions of section 141 of the Companies Act, 2013 and have expressed their willingness to be re-appointed. You are requested to appoint the Auditors for the current year and fix the remuneration

22. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Audit Committee consists of the following members

- Mr. Jayant Deo (DIN: 00568381)
- Dr. S.K. Hajela (DIN: 01001987)
- Mrs. Amrita P. Deodhar (DIN: 00538573)

The above composition of the Audit Committee consists of independent Directors viz., Mr. Jayant Deo (DIN: 00568381) and Dr. S.K. Hajela (DIN: 01001987) who form the majority.

The Company has established a vigil mechanism and overseas through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company.

23. SHARES

a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES

No Bonus Shares were issued during the year under

review.

d. RIGHT ISSUE OF EQUITY SHARES

During the year the Board of Directors passed the resolution for issue of rights shares to the existing share holders. The procedure for issue of right shares is under process.

e. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

24. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL ACT, 2013)

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the work place (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No sexual harassment complaints were received during the year 2015-16.

25. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, employees and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of the Board of Directors

Prabhakar S. Deodhar
Chairman & Managing Director
DIN: 00393117

Jayant Deo
Director
DIN: 00568381

Date: August 10, 2016

Place: Thane

ANNEXURE TO THE DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO [Information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988]

A) ELECTRICAL ENERGY

1. Conservation of Energy:

The Company's production process does not involve any continuous process machinery. As the production involves electronic assembly, power requirements are very minimal.

2. Energy conservation measures taken:

The company is switching over its lighting needs to energy efficient CFL and LED lights. Measures are also taken to watch and correct the load PF as necessary. The company is also working developing phantom loads to reduce power requirements during equipment load testing.

3. Investments are proposed to be made in setting up Solar Panels for power generation to reduce the consumption and cost of purchased power.

B) TECHNOLOGY DEVELOPMENT - R & D

Research & Development in Power Electronics

Most of your company's R&D focus for the next few years will be on green technologies. Your company considers R&D and innovation as key in negating the effects of squeezed margins in the competitive markets it operates in. Some of our R&D efforts this year are on:

- APLAB is developing MIL grade 5KVA DSP controlled UPS system with long back up(up to 4hrs)
- Static Stabilizer using IGBT.
- High Current DC power supply for testing circuit

breakers 5000A

- 20KVA UPS system for costal application with provision to monitor UPS parameter remotely

- High capacity (>20KVA) DSP Controlled Single Phase output UPS parallel redundant.

Expenditure on R & D

| | (Rs. in Lacs) | |
|--------------------------------------------------|---------------|--------------|
| | 2015-2016 | 2014-2015 |
| Capital Expenditure | Nil | Nil |
| Revenue Expenses | 64.28 | 44.70 |
| TOTAL | 64.28 | 44.70 |
| Total R & D Expenses as a percentage to turnover | 0.91 | 0.60 |

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The earnings and outgo in foreign exchange are as follows:

Earnings (FOB Value) **Rs. 551.95 Lacs**
(P Y Rs.448.54 Lacs)

Outgo (CIF Value of imports plus expenses) (P Y 1344.99 Lacs) **Rs. 1765.85 Lacs**

For and on behalf of the Board of Directors

Prabhakar S. Deodhar
Chairman & Managing Director
DIN: 00393117

Jayant Deo
Director
DIN: 00568381

Date: August 10, 2016
Place: Thane